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January 23, 1958

MEMORANDUM

EYES ONLY

SUBJECT: Discussion at the 352nd Meeting of the National Security Council, Wednesday, January 22, 1958

Present at the 352nd NSC Meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; Donald A. Quarles for the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were Fred C. Scribner, Jr., for the Secretary of the Treasury; the Director, Bureau of the Budget; the Special Assistant to the President for Atomic Energy; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Secretary of the Army; The Assistant to the President; the Deputy Assistant to the President; the Director, U. S. Information Agency; Dennis A. FitzGerald for the Director, International Cooperation Administration; the Under Secretary of State; Assistant Secretary of State Smith; the Special Assistants to the President for Disarmament, for Information Projects, for National Security Affairs, for Science and Technology, and for Security Operations Coordination; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. CAPABILITIES OF FORCES FOR LIMITED MILITARY OPERATIONS (NSC Action No. 1814; NSC 5724; NSC 5724/1; NSC Actions Nos. 1841 and 1842)

General Cutler read to the Council the Gaither Panel recommendation on the subject, as follows:

> "Augment our and allied forces for limited military operations, and provide greater mobility, to enable us to deter or promptly suppress small wars which must not be allowed to grow into big ones. The Panel suggests that a study be undertaken, at the national rather than at a service level, to develop current doctrine on when and how nuclear weapons can contribute to limited operations."

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E.O. 12356, SEC. 3.4(b)
Agency Case NSC F89-262
NLE Case MR 91-184 #7
By DJH NLE Date 7/18/89

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General Cutler went on to point out that in its comments on the above recommendation, the Department of Defense had agreed that the capabilities of forces for limited operations should be augmented and the readiness of such forces increased, in relation to our over-all posture to meet the requirements of a general war. But Defense wished to defer implementation of this recommendation pending completion of a national-level study, a plan for which would be recommended by Defense to the Council about March 15, 1958. Secretary Dulles had expressed concern over the delay in the submission of this plan to the Council. He had also questioned the advisability of postponing action to augment the capabilities of our forces for limited operations, until after the completion of the proposed Defense Department study on this subject. Accordingly, these two questions were before the Council today. General Cutler then called upon the Secretary of State.

Secretary Dulles said that in the first place, the comments of the Department of Defense on the recommendation of the Gaither Panel were not wholly responsive to the Panel's recommendation. While we did not necessarily have to follow the Gaither Panel recommendation, that recommendation actually called for the augmenting of our forces for limited military operations. The Department of Defense comment, on the other hand, merely stated that we should augment the capabilities and the readiness of such forces. Thus there existed a discrepancy.

Secondly, continued Secretary Dulles, the Gaither Report had recommended a study of this problem at a level higher than the level of the military services. He believed that the State Department should be brought into this study at its inception, because the kind of forces referred to in the Panel recommendation were those that the State Department was particularly interested in and on whose composition the State Department had pronounced views. Secretary Dulles went on to say, in explanation, that in the course of carrying out our foreign policy over the last five years, the State Department had sometimes felt a need for the United States to have non-nuclear-equipped forces which could, if necessary, put on a demonstration of U. S. interests in various parts of the world. The Joint Chiefs of Staff had responded well when called upon to mount such demonstrations in the past. There had been and would be occasions when aircraft carriers, air power, and even potential landing forces had been very useful in this context. Perhaps such forces should even now be deployed in the general area of Indonesia, because we do not know what will happen there. Such forces had recently proved very valuable in the Eastern Mediterranean when they had been called upon to demonstrate U. S. support of King Hussein of Jordan. Such examples illustrate in general how limited forces can be of assistance to U. S. foreign policy. Accordingly, political and foreign policy considerations should be meshed into the study by the State Department from the very beginning.

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Secretary Quarles replied that Secretary Dulles' suggestion gave rise to complicated questions, and that the problem of forces for limited war was far from achieving agreement as to the implications. The Defense Department had thought it best for the Joint Chiefs of Staff to formulate a plan for the study of the problem and to submit this plan to the National Security Council through the NSC Planning Board, where the State Department member and other members of the Planning Board would have an opportunity to analyze and comment upon the JCS plan. Would such a procedure meet the point raised by Secretary Dulles? As to the other matter raised by the Secretary of State--namely, the time of submission of the JCS plan (March 15, 1958)--it was the view of the Defense Department that the problem of forces for limited war was so difficult and serious that consideration of the plan deserved the amount of time allocated. Perhaps the due date of the JCS plan could be advanced if the President so desired. Secretary Quarles then asked if General Twining could present his views on this general subject.

General Twining pointed out that the Joint Chiefs of Staff had been concerned for a very long time with the problem of U. S. forces for limited military operations. Indeed, our basic national security policy called upon the Defense Department to maintain such forces. It was true that we did not have a "platoon system" of forces set apart for the specific purpose of undertaking limited military operations. Such a separate force might be very desirable, but it would surely be very expensive, and the Joint Chiefs of Staff were now stretched to the absolute budgetary limit. In spite of this, we were capable of sending military forces today from the pool of regular military forces to any part of the world where they were needed, and to do this very rapidly.

With respect to the proposed study by the Joint Chiefs of Staff, General Twining pointed out that in the wake of the leak of the Gaither Report the Joint Chiefs of Staff were very worried about a possible leak of our U. S. war plans. If outsiders like those on the Gaither Panel were brought into the JCS study, a leak of our war plans might actually prove fatal to our national security.

Secretary Dulles quickly pointed out that he was not suggesting that any persons outside of the Government be brought in on the formulation of the Defense Department study. He was only asking for the inclusion of State Department views on the problem of forces for limited war from the outset of the study. If these State Department views were not included, the result would be purely a military study of the problem, and we would have to go on to do another study of the problem of limited war in its political and foreign policy aspects.

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General Cutler asked Secretary Dulles whether the procedure just proposed by Secretary Quarles did not meet Secretary Dulles' argument. Secretary Dulles replied that he didn't think that it quite did, because as he saw it, under Secretary Quarles' proposal the State Department did not have a chance to express its own views until the views of the Joint Chiefs of Staff had already crystallized. Secretary Quarles then suggested the holding of a preliminary conference between the State Department and the Joint Chiefs of Staff, after which the Joint Chiefs would get down to work. Secretary Quarles pointed out that what the Joint Chiefs would present to the National Security Council on March 15 was only a plan for the study of forces for limited military operations, and not the study itself.

The President commented that in any event the JCS plan would have to go to the NSC Planning Board before it was considered by the National Security Council. The President and General Cutler both agreed on the desirability of the conference between the Joint Chiefs and State, suggested by Secretary Quarles, before actual work on the study was commenced by the Joint Chiefs of Staff.

Mr. Allen Dulles inquired whether covert operations would be included in such a study. The President replied facetiously that he, of course, had no knowledge of covert operations.

Secretary Dulles then stated that he had one more question. He felt that the Defense Department comment on the original Gaither Panel recommendation seemed to prejudge in a negative sense the validity of the Panel's recommendation. This might prove to be correct, but the matter should not be prejudged. Accordingly, Secretary Dulles recommended that the terms of reference of the JCS study should be broad enough to permit at least the consideration of the Gaither Panel recommendation in favor of augmenting our forces for limited operations as opposed to merely augmenting the capabilities and readiness of such forces.

The President said he was inclined to believe that in general the important thing was to augment the capabilities of our forces for limited war rather than increasing the size of such forces. He did not believe that the Gaither Panel recommendation was well set forth in calling for an augmentation of U. S. forces for limited military operations. However, the President expressed agreement with Secretary Dulles that the terms of reference of the JCS study should be broad enough to include consideration of whether to augment the size of our forces for limited operations. The President pointed out that we had been earnestly arguing for the augmentation of the capabilities of the military forces of the Republic of Korea, while at the same time we were seeking to cut down the force levels of the ROK armed forces.

The National Security Council:

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a. Discussed the subject, and procedures for further Council action thereon, in the light of comments by the Secretary of State, the Deputy Secretary of Defense, and the Chairman, Joint Chiefs of Staff.

b. Noted that the Department of Defense and the Joint Chiefs of Staff would confer with the Department of State in the preparation of a plan for a coordinated study by the Departments of State and Defense pursuant to NSC Action No. 1842-g-(4); and would make the terms of reference for the study sufficiently broad to include consideration of the entire range of U. S. and allied capabilities for limited military operations.

NOTE: The action in b above, as approved by the President, subsequently transmitted to the Secretary of Defense for appropriate implementation, and to the Secretary of State and the Chairman, JCS, for information.

2. LONG-RANGE U. S. POLICY TOWARD THE NEAR EAST
(NSC 5428; NIE 30-2-57; Memo for NSC from Acting Executive Secretary, subject: "Military Implications of Joint Resolution 117 on the Middle East", dated June 27, 1957; Memo for NSC from Executive Secretary, subject: "Military Implications of Joint Resolution 117 on the Middle East", dated July 16, 1957; NSC Action No. 1753; Memo for NSC from Acting Executive Secretary, subject: "U. S. Military Capabilities to Meet Situations Arising in the Middle East", dated August 5, 1957; NSC Action No. 1771; NSC 5801; Staff Study on NSC 5801; Memo for NSC from Executive Secretary, subject: "Long-Range U. S. Policy Toward the Near East", dated January 20, 1958)

General Cutler briefed the Council at very great length and in great detail on the contents of the proposed new statement of policy toward the Near East. (A copy of General Cutler's briefing note is filed in the minutes of the meeting, and another copy is attached to this memorandum.)

Thereafter, General Cutler called attention to the most significant split in views in NSC 5801, which occurred at the beginning of paragraph 30, reading as follows:

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"Defense-ODM-JCS Proposal

"30. As a matter of priority, take action toward achieving an early resolution of the Arab-Israeli dispute. To this end develop proposals, for submission by the United States directly or through the UN or through a third party, under which the parties to the dispute can work toward a peaceful and equitable settlement of their differences."

"State Proposal

"30. Constantly explore the prospects and possibilities of an effort by the United States directly, or by a third party inspired or encouraged by the United States, to persuade the Arab states and Israel to work toward a settlement along the lines of the Secretary of State's speech of August 26, 1955."

The President inquired, with respect to the State proposal, whether the subparagraphs of paragraph 30, which outlined the specific terms of a proposal to resolve the Arab-Israeli dispute, were in general consonant with the settlement proposed by the speech of the Secretary of State on August 26, 1955. General Cutler replied in the affirmative, and then explained why the Joint Chiefs of Staff favored the left-hand version of the introduction to paragraph 30, and why the State Department felt that its proposal was more realistic.

The President agreed that the version on the left-hand side was certainly more affirmative in tone, but he expressed the opinion that if the subparagraphs of paragraph 30 were acceptable, as they appeared to be, to both sides, he would prefer the State version rather than the Defense-JCS proposal, because the State version provided the greater flexibility in any attempt to resolve the Arab-Israeli dispute.

General Cutler then called on General Twining to express any further views of the Joint Chiefs of Staff. General Twining replied that he had nothing to add to the written views of the Joint Chiefs in favor of the version of paragraph 30 on the left-hand side. General Cutler then called on Secretary Quarles.

Secretary Quarles said he must admit that in paragraph 30 the Defense Department appeared to be meddling in the affairs of the State Department. Nevertheless, the Defense Department felt that it was so urgent to settle the Arab-Israeli dispute that a strong initiative by the United States was required. Our national policy on the Near East should be shaped by the concept that this was an area where World War III could very well commence. Moreover, our military authorities cannot guarantee to hold military actions in the Near East to small limited operations once war began. If everyone is prepared to accept this general concept, Defense would agree to the version of paragraph 30 favored by the Department of State.

Secretary Dulles asked if he might speak to the general problem of Arab-Israeli tensions. Certain considerations on this subject were of such a nature that they were not presented to the

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NSC Planning Board. Thus the state of Israel was in fact the darling of Jewry throughout the world, and world Jewry was a formidable force indeed. The views of the Joint Chiefs of Staff and of the Department of Defense on the subject of a settlement, as well as the letter which Secretary Dulles had received from Secretary Quarles in December (peremptory in tone), were simply not realistic. This Administration had gone further in trying to moderate the policy and position of Israel, and to show greater sympathy for the Arabs, than any previous U. S. Administration. On the other hand, there were certain courses of action which simply could not be followed, from the domestic political point of view. When the state of Israel had been established, both the Department of State and the Department of Defense had been in agreement that the establishment of Israel, in the circumstances, would inevitably lead to the situation in the Near East which now confronts us. Nevertheless, the warnings and advice of the Departments of State and Defense had been ignored.

The best proof of the potency of international Jewry is that the Soviet Union, while constantly hinting to the Arab states that it will agree to help the Arabs to dismember Israel, has never actually come out publicly with such a statement of support. The Soviets rely on hints, and they are playing the game very cautiously despite the great prize which they could win in the Near East if they supported the destruction of Israel. Accordingly, if the USSR doesn't dare to tackle this situation forthrightly, other nations must approach the problem with care too. Among all of our allies, not a single one would support the policy toward Israel which the Arabs are demanding. There is no situation in the world to which this Administration has given more thought than the Arab-Israeli dispute. There are very grave problems to be faced. There is no greater danger to U. S. security. Perhaps, indeed, the USSR will ultimately get control of the Near East; but, in any event, there has been no tendency whatsoever to minimize this danger in the State Department over the last ten years. Secretary Dulles went on to say that he had searched his mind for a formula for ending Arab-Israeli hostility which had some prospect of sticking. In fact, he had presented one such formula in his speech of August 26, 1955. Neither side--the Arabs or the Israelis--would budge one inch from its position in order to approach the terms of this particular formula. The situation was tragic and disturbing. We are confronted with a clear threat to the security of the United States, and we cannot present a clean-cut practical solution. Accordingly, we are in fact reduced to following the old British formula of "muddling through". For this formula it can at least be said that it has worked after a fashion and has enabled us to maintain friendly relations thus far with Saudi Arabia, Iraq, Jordan and Lebanon. In short, while the situation was precarious, it was not presently desperate.

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Secretary Dulles then commented that Hammarskjöld had just come back from the Near East with a thesis for settling Arab-Israeli hostility which Secretary Dulles said he would like very much to be able to believe in, but found it hard to do so. Hammarskjöld argues that if we can bring about a union of the Arab states and end the insecurity in which the Arabs continually feel they live, then a mood of confidence would arise and the problem of Israel would become a secondary matter of a mere boundary dispute rather than a primary matter--that is, a threat to the security of the Arab nations. Secretary Dulles repeated that he found it extremely hard to accept the validity of Hammarskjöld's reasoning. If, indeed, the Arab nations did achieve unity, would the consequences be those suggested by Hammarskjöld? Or, on the contrary, would a united Arab state feel itself strong and secure enough to destroy Israel? Moreover, a unification of the Arab states might make Western Europe's situation with respect to oil even more serious than it now was. If the policy on the supply of oil from the Arab states to Western Europe were made uniform as a result of the unification of the Arab states, [redacted] the threat to the vital oil supply of Western Europe from the Near East would become critical. There were thus dangers in Hammarskjöld's thesis, though he is continuing to work on it.

Secretary Dulles went on to point out that one cannot always predict Soviet actions. It would appear that the Soviets have a free and open field in the Near East into which they could rush; but in point of fact, they have not moved in on the Near East as rapidly as they are capable of. They joined in the foundation of Israel and for a considerable time thereafter the Soviets backed the Israelis. Then they modified their policy and assumed a neutral position between Israel and the Arab states. Then, three or four years ago, they changed again, and adopted an out-and-out pro-Arab position. In brief, the situation in the Near East was too uncertain to permit us to say that we are doomed because at this time we cannot perceive a clear-cut and immediate course of action to settle this great problem of Arab-Israeli hostilities.

General Cutler explained the Planning Board's view of Arab unity, pointing out that the Planning Board recommendation would apply to unification only of the Arab states within the Arab peninsula. The Planning Board felt that if we could achieve such a unification, the interests of the United States would be better served if and when the present pro-Western Arab regimes fell. Secretary Dulles replied that he was not saying that the State Department opposed moves in the direction of Arab unity; but the State Department wanted to be very careful that we did not end up by uniting the Arab states against the United States and the West.

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The Vice President commented that he thought that the State Department version of paragraph 30 was adequate. On the other hand, anyone who has visited the Near East or studied the area must certainly have reached the conclusion that the major immediate problem there was the problem of the Arab refugees. On this problem the Vice President said he urged a new look and the allocation of new resources and money if they were needed. Solution of the refugee problem, the Vice President thought, was the thing to concentrate on at the moment.

Secretary Dulles replied that in point of fact the Under Secretary of State was giving his special attention currently to trying to devise an answer to the Arab refugee problem, and he accordingly invited Secretary Herter to comment. Secretary Herter observed that every approach thus far made to the Arabs on ways and means to solve the problem elicited no response whatsoever. While the Israelis had indicated a willingness to make some concessions to start solving this problem, they naturally do not want to put all their cards on the table at once.

Mr. George Allen said that he well understood the frustrating character of all attempts to solve Arab-Israeli tension. Nevertheless, he had one suggestion to throw out, which the members of the Council, he feared, might find rather shocking at first sight. The question of further Jewish immigration into Israel was perhaps an even more difficult aspect of Arab-Israeli hostility than the question of the Arab refugees. Could we consider, accordingly, a position that the United States will not support any further immigration into Israel except in instances where religious persecution of Jews is shown to exist? The Zionists of the world would not be happy with such a U. S. position, but middle-of-the-road Jews throughout the world would probably give this position considerable support. Most of the Jews who at the present time desire to emigrate and go to Israel come either from Morocco and Tunisia or else from areas behind the Iron Curtain. There is no religious persecution of Jews in Morocco and Tunisia, and the Jews within the Soviet Union at least suffer no more religious persecution than Christians. Accordingly, Mr. Allen thought his proposal worth consideration. If we took up a policy of opposing further immigration of Jews into Israel we would, of course, have to follow up this policy by refusing tax exemption to contributions made by Americans in support of organized immigration into Israel.

Secretary Dulles expressed the belief that we could not end such tax exemptions without recourse to an Act of Congress, and he and his State Department colleagues believed that there was no possibility of the Congress passing an act to end tax exemption on contributions made on behalf of emigrants desiring to settle in

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Israel. This proposal, in point of fact, had been studied for a long time in the State Department. Secretary Dulles then pointed out that the Israelis have recently applied to the Export-Import Bank for a large loan designed for developmental purposes in Israel. The Bank has advised the State Department that the Israeli loan request is a borderline case, and the Bank will be prepared to grant the loan if the State Department says that such a course of action is advisable. On the other hand, Secretary Dulles had told Ambassador Eban that the State Department thinks it unwise to help Israel to develop additional lands and resources if the newly-available land is to be devoted to helping new immigrants into Israel rather than helping refugees already there. If the Israelis would agree that such a loan would be used to assist the existing population, it would probably be in the interests of the United States to grant the loan. Ambassador Eban has stated that he would talk to Prime Minister Ben-Gurion about our views on this loan, but we expect a negative response from Ben-Gurion. In short, the State Department would like to make this loan conditional on the adoption by Israel of a new over-all immigration policy with perhaps some help to the Arab refugees. On the other hand, we doubt very much whether our hopes are a real possibility in an election year.

In response to Secretary Dulles' expression of pessimism, the Vice President pointed out that if the Administration made a real issue of this matter, it would win in Congress in the long run. The Vice President expressed himself as opposed to granting the Export-Import Bank loan to Israel unless it were part and parcel of a new over-all immigration policy by Israel.

Admiral Strauss asked if he might comment. He stated at the outset that he was not a Zionist and, on the contrary, he had opposed the creation of the state of Israel. He still made no contributions to the support of Israel, his contributions being confined to assisting the Arab refugees in Israel. Nevertheless, he believed that perhaps the Secretary of State was under the misapprehension that all Jews in the world were strongly behind the Israeli state. This was not so. The creation of Israel had managed to save the lives of two or three million Jews. Mr. Allen's point--that Jews desiring to emigrate to Israel came from countries where Jews were not persecuted for their religion--was not quite accurate. It overlooked the fact that in countries like Morocco and Tunisia economic persecution of Jews stemmed directly from the fact that they were Jews. Thus, if we try to limit immigration into Israel and to impede philanthropy in support of this immigration, we would not only lose the support of all Zionists, but we would also lose the broad support of all philanthropic people as well, unless we could find alternate havens of refuge for persecuted Jews. At the moment, Admiral Strauss said he could see no such alternate havens.

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Mr. Allen pointed out that his proposal did not contemplate merely preventing further immigration of Jews into Israel. This course of action would be balanced by other courses of action to make an acceptable package.

(At this point in the meeting--10:10 a.m.--General Cutler pointed out that Secretary Quarles would have to leave the meeting presently to go to Capitol Hill, and that before Secretary Quarles left he would like to read to the Council the record of action on "Priorities for Ballistic Missiles and Satellite Programs" which the President had recently approved. For discussion of this item, see the next agenda item.)

General Cutler then asked the Council to direct its attention to the two other splits in NSC 5801. The first of these occurred in the first sentence of paragraph 31, which he read as follows:

> "Seek to maintain the United Nations Truce Supervisory Organization (UNTSO) and the United Nations Emergency Force (UNEF) [and possibly expand their missions]* until such time as major differences between Israel and her neighboring states have been resolved and the likelihood of armed conflict has been significantly reduced.
>
> "* JCS proposes deletion."

General Cutler explained briefly why the Joint Chiefs of Staff were opposed to an attempt to expand the missions of the United Nations Emergency Force, and why the State Department believed that such an expansion would be desirable. In further explanation of the views of the Joint Chiefs, General Twining pointed out that the nations which had originally been interested in the UNEF at the time of the Suez controversy did not seem interested any more. Secretary Dulles commented that he doubted whether any significant expansion of the mission of UNEF was likely or that it would be likely to undertake new tasks. On the other hand, it might be desirable to expand the mission of UNEF to the point that the UNEF could be stationed on both sides of hostile borders rather than being confined, as now, to the Arab side of the border. Secretary Dulles paid tribute to the valuable service which the UNEF had performed in the past. General Cutler suggested language which met the Secretary of State's point and which was agreeable to the other members of the Council.

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General Cutler next directed the Council's attention to the remaining difference of view, which occurred in paragraph 44, reading as follows:

> "When pro-Western orientation is unattainable, accept neutralist policies of states in the area even though such states maintain diplomatic, trade and cultural relations with the Soviet bloc (including the receipt of military equipment) so long as these relations are reasonably balanced by relations with the West. Be prepared to provide economic and /reimbursable/* military assistance to such states in order to develop local strength against Communist subversion and control and to reduce excessive military and economic dependence on the Soviet bloc.
>
> "* Defense and Treasury proposal."

After General Cutler explained the opposition of Defense and Treasury to providing grant military assistance to the states of the Near East, the President commented that in point of fact we do give military assistance to certain nations with whom we have no military agreements. To that extent, at least, we provide grant military assistance to neutral nations.

On the other hand, Secretary Dulles stated that he was inclined to agree with the proposal made by the Joint Chiefs of Staff, that we decide to provide such aid on a case-by-case basis. We should remember, for example, that we might want to provide small amounts of grant military aid to Yemen if doing so offered a chance of changing the present direction of Yemen's policy.

The President then suggested revised wording for paragraph 44.

The National Security Council:

a. Discussed the draft statement of policy on the subject contained in NSC 5801; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of January 20, 1958.

b. Noted the statement by the Vice President as to the urgency of dealing with the Arab refugee problem.

c. Adopted the statement of policy in NSC 5801, subject to the following amendments:

(1) Page 18, paragraph 30: Include the State proposal in the right-hand column.

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(2) Page 20, paragraph 31: Substitute for the bracketed phrase and the footnote thereto, the following: ", with possibly a limited expansion of their missions,".

(3) Page 24, paragraph 43: Revise the first sentence to read as follows: "Resist Soviet proposals for agreements designed to obtain explicit and formal acknowledgment of the Soviet presence and interests in the area."

(4) Page 24, paragraph 44: Substitute for the last sentence and the footnote thereto, the following: "Be prepared to provide assistance, on a case-by-case basis, to such states in order to develop local strength against Communist subversion and control and to reduce excessive military and economic dependence on the Soviet bloc."

NOTE: NSC 5801, as amended by the action in c above, subsequently approved by the President; circulated as NSC 5801/1 for implementation by all appropriate Executive departments and agencies of the U. S. Government; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

3. PRIORITIES FOR BALLISTIC MISSILES AND SATELLITE PROGRAMS (NSC 5520; NSC Actions Nos. 1433, 1484, 1545, 1653, 1656, 1713, 1765, 1799, and 1800)

After General Cutler had read the record of action on the subject, Secretary Quarles stated in explanation that if it proved practical to provide the proposed latitude on priorities to the Secretary of Defense, such a course of action would seem desirable and helpful.

The President emphasized that when the issue of the size and scope of programs for the procurement of the missiles came up, this matter would have to be approved specifically by the President.

The National Security Council:

Noted that the President, on the recommendation of the Secretary of Defense in consultation with the Special Assistant to the President for Science and Technology, has established the following programs as having the highest priority above all others for research and development and for achieving operational capability; scope of the operational capability to be as approved by the President:

(Order of listing does not indicate priority of one program over another.)

ATLAS (ICBM) Weapon System
TITAN (ICBM) Weapon System
THOR-JUPITER (IRBM) Weapon Systems
POLARIS (FBM) Weapon System
Anti-missile missile defense weapon system, including active defense and related early warning for defense of the United States proper
IGY scientific satellite (VANGUARD-JUPITER C) programs
Satellite programs (other than VANGUARD and JUPITER C) determined by the Secretary of Defense to have objectives having key political, scientific, psychological or military import.

NOTE: The above action, as approved by the President, subsequently transmitted to the Secretary of Defense for appropriate implementation, superseding those portions of the referenced actions and of NSC 5520 which are in conflict with the above priorities.

4. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY

The Director of Central Intelligence stated that while the situation in Venezuela was quiet as of six o'clock this morning, it seemed that Perez Jimenez was on his last legs. Accordingly, the chief problem now was to effect a reasonable transition from dictatorship to some other form of power. Probably the only practicable recourse would be the establishment of a military junta. For the moment, at least, there were no visible civilian elements who could take over authority in Venezuela.

With respect to the outcome of the elections in Guatemala, Mr. Dulles stated that we did not really know what the results of the election would be. Much depended on who counted the votes. The Acting President of Guatemala had apparently doublecrossed the middle-of-the-road candidate, Cruz Salazar, by reporting him as standing third in number of votes. In point of fact, Cruz Salazar did not appear to be running third, as reported, but rather was a good second. In any event, none of the three candidates had achieved a majority, so that the election would have to go to the Chamber of Deputies to be decided on Friday. The United States would probably manage with either the right-wing candidate or the middle-of-the-road candidate, whom we had favored; but our fear is that the election of the rightist would provoke a strong leftist reaction and more disorder.

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With regard to Indonesia, Mr. Dulles pointed out that the [redacted] On the whole, we think that this was a wise decision.

In Yemen, Mr. Dulles emphasized that the Soviet bloc countries were making a strong drive. The Soviets have made an economic officer of $35 million. The Chinese Communists have offered Yemen a loan of $16 million with no interest. Mr. Dulles expressed the view that a dangerous situation, from the U. S. point of view, existed in Yemen.

The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the situations in Venezuela, Guatemala, Indonesia, and Yemen.

5. U. S. POLICY TOWARD FINLAND
(NSC 5403; Progress Report, dated January 2, 1958, by OCB on NSC 5403)

The National Security Council:

Noted and discussed the reference Progress Report on the subject by the Operations Coordinating Board.

6. U. S. POLICY TOWARD ETHIOPIA
(NSC 5615/1; Progress Report, dated December 18, 1957, by OCB on NSC 5615/1)

The National Security Council:

Noted the reference Progress Report on the subject by the Operations Coordinating Board.

S. Everett Gleason

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